

MEMORANDUM OF UNDERSTANDING
RE: IOWA FINANCE AUTHORITY FIRSTHOME PROGRAM

This Memorandum of Understanding (“MOU”) is entered into as of the 1st day of _____, 200_, between the Iowa Finance Authority (“IFA”), located at 100 E. Grand Ave., Suite 250, Des Moines, Iowa 50309, and _____ (the “PHA”), located at _____, and concerns participation by the PHA, through the Section 8 program, in IFA’s FirstHome Program (“FirstHome”).

1. IFA has decided to allow the use of Section 8 payments under FirstHome, subject to the terms and conditions of this MOU.
2. Borrowers currently receiving housing assistance payments under the Section 8 program (“HAP”) may apply for a loan under FirstHome, provided they meet all of the FirstHome requirements, including credit underwriting standards. The HAP is to be considered as income of the Borrower. Borrowers will use FirstHome in the same manner as other persons, going through a participating FirstHome lender.
3. As part of this MOU, the PHA agrees to provide all Borrowers with pre-purchase home counseling. The PHA also agrees to notify IFA with the name of each Borrower that receives a FirstHome loan.
4. Payments on the FirstHome loan are to be made in part by the Borrower and in part by the PHA (to the extent of the HAP). The Borrower and the PHA will each send their portion of the monthly mortgage payment to an account at Countrywide Home Loans, Inc. (the “Servicer”). Payment will be deemed made only after both portions of the payment have been received by the Servicer.
5. The PHA agrees to work with IFA, the Servicer and the Borrower to implement the monthly payment process described above, as such process may be modified by IFA from time to time.
6. The PHA agrees to give the Servicer at least 30 days prior written notice if a Borrower’s HAP is to be terminated, whether due to self-sufficiency of the Borrower or failure to comply with applicable Section 8 requirements.
7. IFA may require the PHA to take additional actions from time to time as necessary to ensure the efficient and effective use of Section 8 with FirstHome. The PHA agrees to implement such reasonable actions and procedures as IFA may from time to time require.
8. The term of this MOU shall run until such time as the PHA no longer is making any HAP in connection with FirstHome.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the parties have entered into the above MOU and have caused their duly authorized representatives to execute this MOU.

Iowa Finance Authority

Bret L. Mills, Executive Director

_____ [PHA]

[Name, Title]